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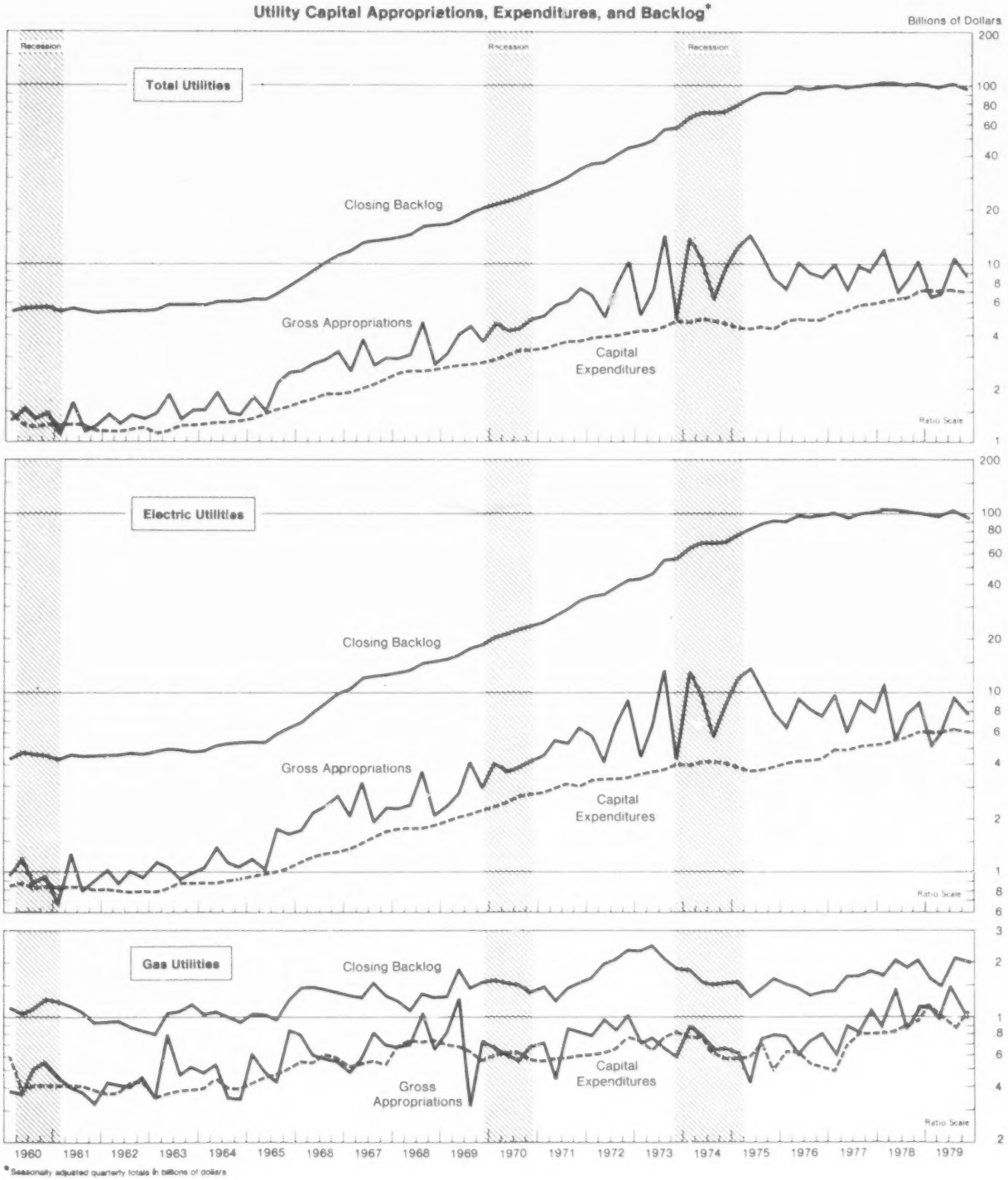
Utility Investment Statistics

Utility Appropriations

Fourth Quarter 1979

THE CONFERENCE BOARD

Utility Capital Appropriations, Expenditures, and Backlog*



* Seasonally adjusted quarterly totals in billions of dollars

Prepared in the Business Conditions Analysis Department—Lora S. Collins, Director

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CAPITAL APPROPRIATIONS AND EXPENDITURES OF INVESTOR-OWNED GAS AND ELECTRIC UTILITIES

Quarterly Totals in Millions of Dollars

	77-III	77-IV	78-I	78-II	78-III	78-IV	79-I	79-II	79-III	79-IV
					—NOT SEASONALLY ADJUSTED—					
TOTAL UTILITIES										
Opening backlog	104,093	101,885	103,630	113,965	110,078	102,501	103,933	105,644	99,646	97,156
Appropriations	4,116	9,112	21,553	2,899	3,338	9,316	14,020	3,205	5,520	10,000
Canceled	416	881	5,888	560	4,316	208	5,964	2,118	674	4,247
Capital expenditure	5,908	6,486	5,330	6,226	6,599	7,676	6,345	7,085	7,336	7,666
Closing backlog	101,885	103,630	113,965	110,078	102,501	103,933	105,644	99,646	97,156	95,243
ELECTRIC UTILITIES										
Opening backlog	101,956	100,313	101,866	111,171	107,508	100,895	101,882	102,718	97,263	95,120
Appropriations	3,654	7,904	19,857	2,111	2,900	7,961	11,948	2,684	4,764	8,791
Canceled	314	725	5,761	346	3,988	325	5,587	2,045	638	4,179
Capital expenditure	4,983	5,626	4,791	5,428	5,525	6,649	5,525	6,094	6,269	6,490
Closing backlog	100,313	101,866	111,171	107,508	100,895	101,882	102,718	97,263	95,120	93,242
GAS UTILITIES										
Opening backlog	2,137	1,572	1,764	2,794	2,570	1,606	2,051	2,926	2,383	2,036
Appropriations	462	1,208	1,696	788	438	1,355	2,072	521	756	1,209
Canceled	102	156	127	214	328	—117	377	73	36	68
Capital expenditure	926	860	539	798	1,074	1,027	820	991	1,067	1,176
Closing backlog	1,572	1,764	2,794	2,570	1,606	2,051	2,926	2,383	2,036	2,001
					—SEASONALLY ADJUSTED—					
TOTAL UTILITIES										
Opening backlog	98,374	101,979	103,630	106,040	106,040	101,844	103,933	100,940	99,203	102,479
Appropriations	9,903	9,062	11,885	6,919	8,237	10,065	6,260	6,763	10,913	8,809
Canceled	434	1,490	3,482	608	5,974	908	2,103	1,351	498	9,051
Capital expenditure	5,864	5,921	5,993	6,311	6,459	7,068	7,150	7,149	7,139	6,994
Closing backlog	101,979	103,630	106,040	106,040	101,844	103,933	100,940	99,203	102,479	95,243
ELECTRIC UTILITIES										
Opening backlog	96,663	100,328	101,866	104,337	103,972	100,080	101,882	99,317	97,731	100,350
Appropriations	9,071	7,994	11,021	5,492	7,380	8,936	5,131	5,798	9,440	7,818
Canceled	360	1,325	3,318	370	5,716	1,016	1,689	1,247	537	8,976
Capital expenditure	5,046	5,131	5,232	5,487	5,556	6,118	6,007	6,137	6,284	5,950
Closing backlog	100,328	101,866	104,337	103,972	100,080	101,882	99,317	97,731	100,350	93,242
GAS UTILITIES										
Opening backlog	1,711	1,651	1,764	1,703	2,068	1,764	2,051	1,623	1,472	2,129
Appropriations	832	1,068	864	1,427	857	1,129	1,129	965	1,473	991
Canceled	74	165	164	238	258	—108	414	104	—39	75
Capital expenditure	818	790	761	824	903	950	1,143	1,012	855	1,044
Closing backlog	1,651	1,764	1,703	2,068	1,764	2,051	1,623	1,472	2,129	2,001

REVISIONS: Electric and total utility seasonal adjustment is revised for 1978 and 1979. Gas and total utility data for 1979-III are revised, and for 1979-IV are preliminary.

Estimates are for all investor-owned gas and electric utilities. The electric utility companies surveyed account for 95% of all investor-owned companies' plant investment and kilowatt-hour sales to ultimate customers in 1977; the gas utilities surveyed account for 58% of 1978 revenues of all investor-owned gas utilities.

Historical data from 1958 available on request from the Business Conditions Analysis Department.

Sources: Edison Electric Institute; American Gas Association; The Conference Board.

The Conference Board
Quarterly Survey of Utility Appropriations
Fourth Quarter 1979

Capital appropriations by investor-owned gas and electric utilities dropped 19% in the fourth quarter of 1979 from their strong third-quarter level. The latest total was $8.81 billion (seasonally adjusted), a higher figure than in either of the first two quarters of 1979. Record-cancellations on a seasonally adjusted basis exceeded new appropriations in the fourth quarter, making net appropriations a negative figure for the first time. Without seasonal adjustment, however, cancellations were less than half as large. It must be noted that the size and irregular timing of nuclear cutbacks in the past six years have distorted the seasonal pattern that electric utility cancellations followed prior to 1974 and have thus made the seasonal adjustment process less certain.

The utilities' capital expenditures in the fourth quarter were $6.99 billion, 2% below the pace maintained in the year's first three quarters. Expenditures of electric utilities dropped 5% from the third quarter to the fourth while those of gas utilites rose 22%. At the close of 1979, the backlog of unspent appropriations was $95.24 billion, its lowest level since early 1976. This backlog would support less than 3½ years of spending at the current rate—the shortest prospect for future support since the end of 1973.

Gas Utilities: Another Record Year

Gas companies' fourth-quarter appropriations were 33% below the quarterly record set in the third quarter. Nevertheless, the 1979 total of $4.56 billion was a record, 7% above 1978 and 76% above the 1975 low. Last year's expenditures of $4.05 billion were also an annual record, 18% above the preceding year. The gas utilities canceled some $550 million in both 1978 and 1979, or about 12% of the total appropriated each year. This compares favorably with 1976, when a record $862 million was canceled, or about 30% of new appropriations.

Electric Utility Investment Decelerates

In the fourth quarter, electric utilities appropriated $7.82 billion, 17% less than in the third quarter and 13% less than a year earlier. In all of 1979, appropriations were $28.19 billion, 14% less than in 1978 and 36% less than the 1975 record. When 1979's record cancellations and adjustments are subtracted, net appropriations for the year were 30% below 1978 and 57% below 1975.

Actual cancellations and adjustments in the fourth quarter were $4.2 billion, but on a seasonally adjusted basis the figure swelled to nearly $9 billion. As noted above, seasonal patterns have become less regular in recent years and seasonal adjustment less reliable. Cancellation of four nuclear units accounted for 70% of the fourth-quarter figure. Cancellations and other adjustments in 1979 totaled $12.45 billion, of which about two-thirds were actual project cancellations. The ratio of annual cancellations to appropriations has risen from an average 5% in 1965-73 to 19% in 1974, when large-scale cutbacks began, and 44% in 1979.

Electric utilities spent $5.95 billion in the fourth quarter, the smallest quarterly outlay since 1978-III. But total spending in 1979 reached a record $24.38 billion, 9% above the 1978 total. Annual capital spending by electric utilities has doubled since 1971; deflated for price change, the increase would be a little under 20%.

Margaret M. Nichols

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Utility Appropriations

First Quarter 1980

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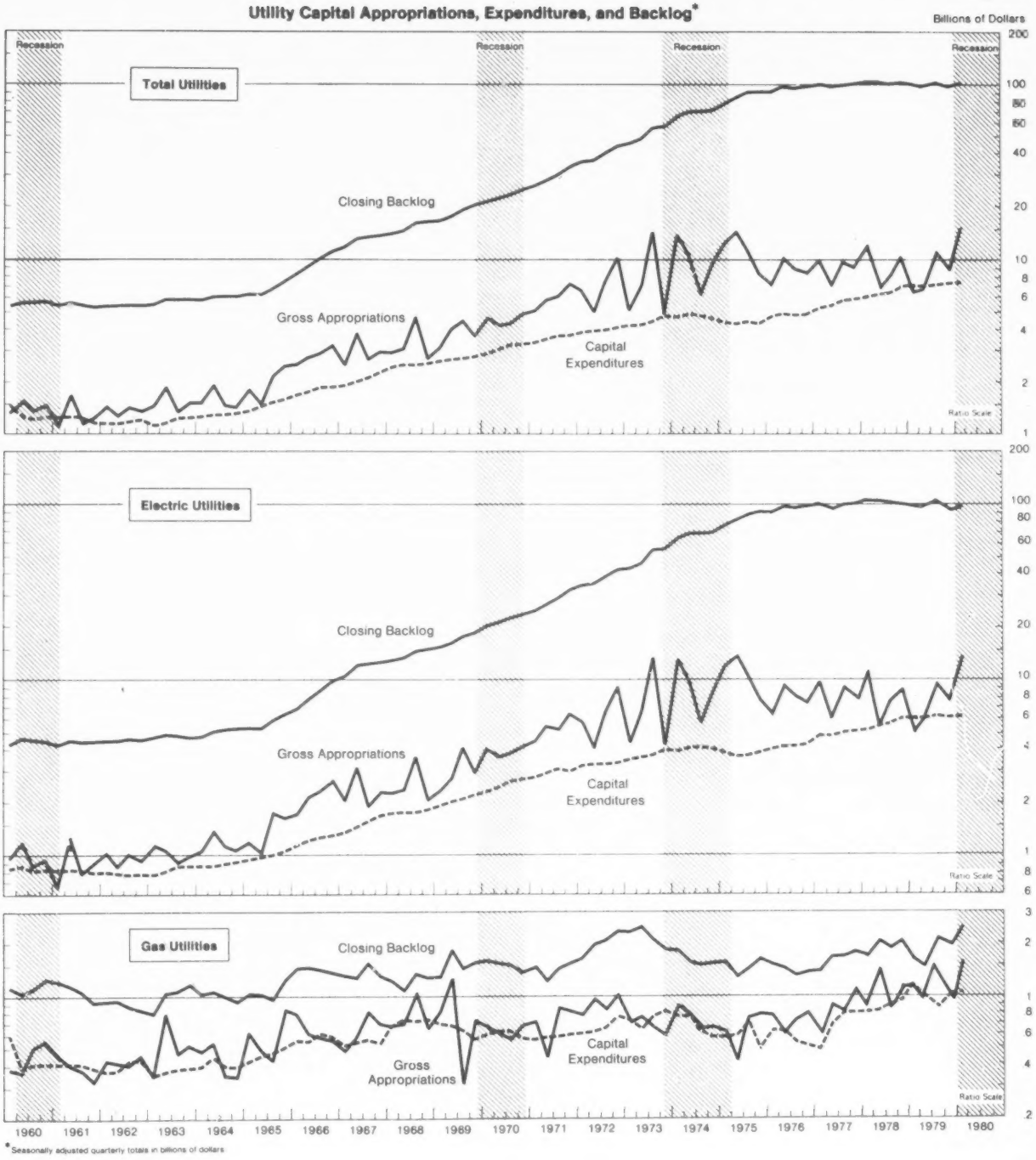
THE CONFERENCE BOARD

Utility Capital Appropriations, Expenditures, and Backlog*



*Seasonally adjusted quarterly totals in billions of dollars

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Avenue Louise, 326 - Bte 48
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(02) 640 62 40 Telex 63635

The Conference Board

Quarterly Survey of Utility Appropriations

First Quarter 1980

During the first quarter of 1980, investor-owned gas and electric utilities appropriated a record $15.22 billion (seasonally adjusted) for new plant and equipment. This was 73% more than they appropriated in the preceding quarter, the steepest quarterly increase in six years. The previous appropriations record was $14.34 billion in the second quarter of 1975.

Cancellations and adjustments moderated, to $2.6 billion, so that net appropriations came to a near-record $12.60 billion. They had been higher only in 1973-III and 1974-I ($13.27 billion).

The utilities' capital expenditures in the quarter reached $7.32 billion, also a record. The backlog of unspent appropriations, which had dropped off sharply at the end of 1979, rose 6% in the first quarter to $100.5 billion, the strongest quarterly increase since 1975-III. This backlog would provide about 3½ years of spending at the current rate—about the same degree of support as during all of 1979. Historically, the year-end 1975 backlog provided the most support for future spending (more than 5 years).

Improvement in Electric Utility Investment

Electric utilities raised their new appropriations 75% from the fourth-quarter level to $13.66 billion in the first quarter. Not since the 1975-II record of $13.91 billion have their appropriations been so high. The very large volume of appropriations in the first quarter reflected big appropriations increases by a small percentage of the electric companies; the great majority of companies reported minor increases or declines in appropriations from the fourth quarter to the first. First-quarter cancellations and adjustments were down to $2.66 billion, which is a little less than the average of the past eight quarters.

Actual spending by the electric companies came to $6.22 billion posted in 1979-III. The unspent appropriations backlog rose 5% to $98.0 billion at the end of March, but this was still 6% below the peak of $104.3 billion reached in March 1978. The first-quarter backlog-spending ratio of 15.8 quarters is only marginally higher than it was three months earlier, and compares with a record figure of 23.6 in late 1975. Thus the strength of the backlog in terms of future spending has declined from nearly 6 years to about 4 years.

Gas Utility Plans Continue Strong

Gas utilities reported two first-quarter records: appropriations of $1.56 billion, and a $2.47 billion backlog. Their capital expenditures edged up 1.5% from the fourth quarter to $1.10 billion, which had been exceeded only once, in the first quarter of 1979.

Margaret M. Nichols

CAPITAL APPROPRIATIONS AND EXPENDITURES OF INVESTOR-OWNED GAS AND ELECTRIC UTILITIES

Quarterly To als in Millions of Dollars

	77-IV	78-I	78-II	78-III	78-IV	79-I	79-II	79-III	79-IV	80-I
					—NOT SEASONALLY ADJUSTED—					
TOTAL UTILITIES										
Opening backlog	101,885	103,630	113,965	110,078	102,501	103,933	105,644	99,646	97,156	95,206
Appropriations	9,112	21,553	2,899	3,338	9,316	14,020	3,205	5,520	10,002	31,851
Canceled	881	5,888	560	4,316	208	5,964	2,118	674	4,249	5,392
Capital expenditure	6,486	5,330	6,226	6,599	7,676	6,345	7,085	7,336	7,703	6,507
Closing backlog	103,630	113,965	110,078	102,501	103,933	105,644	99,646	97,156	95,206	115,158
ELECTRIC UTILITIES										
Opening backlog	100,313	101,866	111,171	107,508	100,895	101,882	102,718	97,263	95,120	93,242
Appropriations	7,904	19,857	2,111	2,900	7,961	11,948	2,684	4,764	8,791	29,016
Canceled	725	5,761	346	3,988	325	5,587	2,045	638	4,179	5,478
Capital expenditure	5,626	4,791	5,428	5,525	6,649	5,525	6,094	6,269	6,490	5,721
Closing backlog	101,866	111,171	107,508	100,895	101,882	102,718	97,263	95,120	93,242	111,059
GAS UTILITIES										
Opening backlog	1,572	1,764	2,794	2,570	1,606	2,051	2,926	2,383	2,036	1,964
Appropriations	1,208	1,696	788	438	1,355	2,072	521	756	1,211	2,835
Canceled	156	127	214	328	—117	377	73	36	70	—86
Capital expenditure	860	539	798	1,074	1,027	820	991	1,067	1,213	786
Closing backlog	1,764	2,794	2,570	1,606	2,051	2,926	2,383	2,036	1,964	4,099
					—SEASONALLY ADJUSTED—					
TOTAL UTILITIES										
Opening backlog	101,979	103,630	106,040	106,040	101,844	103,933	100,940	99,203	102,479	95,206
Appropriations	9,062	11,885	6,919	8,237	10,065	6,260	6,763	10,913	8,811	15,215
Canceled	1,490	3,482	608	5,974	908	2,103	1,351	498	9,053	2,612
Capital expenditure	5,921	5,993	6,311	6,459	7,068	7,150	7,149	7,139	7,031	7,317
Closing backlog	103,630	106,040	106,040	101,844	103,933	100,940	99,203	102,479	95,206	100,492
ELECTRIC UTILITIES										
Opening backlog	100,328	101,866	104,337	103,972	100,080	101,882	99,317	97,731	100,350	93,242
Appropriations	7,994	11,021	5,492	7,380	8,936	5,131	5,798	9,440	7,818	13,657
Canceled	1,325	3,318	370	5,716	1,016	1,689	1,247	537	8,976	2,660
Capital expenditure	5,131	5,232	5,487	5,556	6,118	6,007	6,137	6,284	5,950	6,220
Closing backlog	101,866	104,337	103,972	100,080	101,882	99,317	97,731	100,350	93,242	98,019
GAS UTILITIES										
Opening backlog	1,651	1,764	1,703	2,068	1,764	2,051	1,623	1,472	2,129	1,964
Appropriations	1,068	864	1,427	857	1,129	1,129	965	1,473	993	1,558
Canceled	165	164	238	258	—108	414	104	—39	77	—48
Capital expenditure	790	761	824	903	950	1,143	1,012	855	1,081	1,097
Closing backlog	1,764	1,703	2,068	1,764	2,051	1,623	1,472	2,129	1,964	2,473

REVISIONS: Gas and total utility data for 1979-IV are revised, and for 1980-I are preliminary.

Estimates are for all investor-owned gas and electric utilities. The electric utility companies surveyed account for 95% of all investor-owned companies' plant investment and kilowatt-hour sales to ultimate customers in 1977; the gas utilities surveyed account for 58% of 1978 revenues of all investor-owned gas utilities.

Historical data from 1958 available on request from the Business Conditions Analysis Department.

Sources: Edison Electric Institute; American Gas Association; The Conference Board.

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Utility Appropriations

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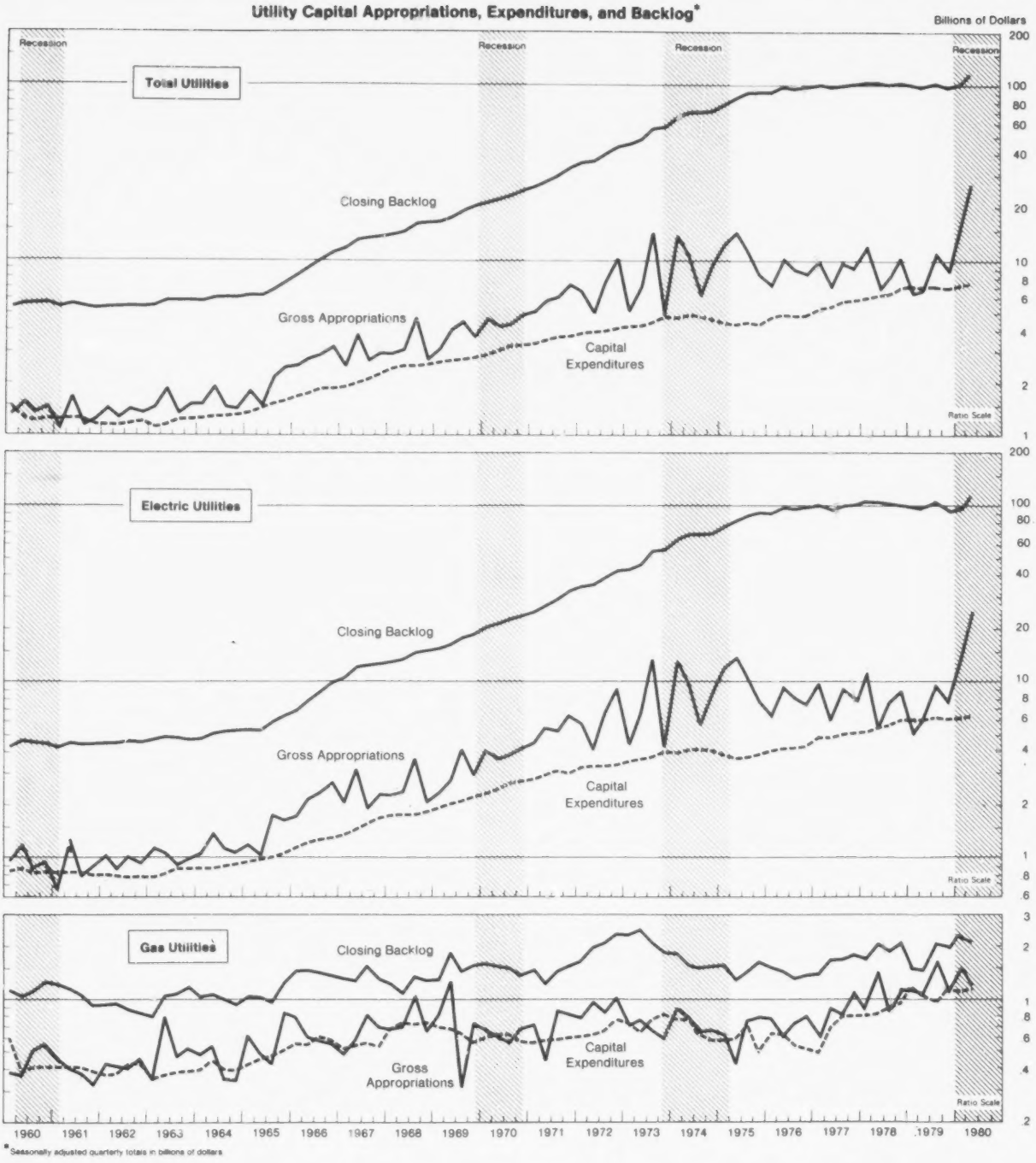
Utility Capital Appropriations, Expenditures, and Backlog*



*Seasonally adjusted quarterly totals in billions of dollars

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Avenue Louise, 326 - Bte 48
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(02) 640 62 40 Telex 63635

The Conference Board
Quarterly Survey of Utility Appropriations
Second Quarter 1980

Appropriations for new plant and equipment by investor-owned gas and electric utilities rose dramatically in the second quarter of 1980. They reached a record $27.0 billion (seasonally adjusted), topping the first-quarter record by 78%. All of the increase occurred in the electrical sector.

Cancellations and adjustments were a substantial $3.6 billion in the second quarter but amounted to only 13% of new appropriations, as compared with 18% in the first quarter and 40% in 1979.

Second-quarter capital expenditures by the utilities mounted to a record $7.6 billion, up 3% from the first-quarter record. Both gas and electric utilities increased their spending. The large appropriations gave another boost to the backlog of unspent appropriations, a record $116.2 billion at midyear. This was 22% above its recent low at the end of 1979 and 10% above the previous record established in first half 1978. The backlog would support 15.3 quarters of spending at the current rate—the strongest showing in the past eight quarters but not as strong as during 1975-77.

Electric Utility Investment Heats Up

A small number of electric companies was responsible for the industry's 89% increase in appropriations in the second quarter, to a total of $25.79 billion (seasonally adjusted). The increase was fueled by nine nuclear units. Two nuclear units were canceled, and correction of a large reporting error swelled the cancellations-and-adjustments figure to $3.24 billion.

Electric utilities have now appropriated some $39 billion in the first half of this year, which is 40% more than they appropriated in all of 1979. When cancellations are subtracted, the recovery is even more striking: net appropriations in first half 1980 were more than double those of full year 1979.

Spending by electric utilities went up 4% in the second quarter to a record $6.44 billion. The new unspent appropriations backlog, $114.13 billion, was 9% above the previous record set in early 1978.

Gas Utilities Trailing

The gas companies appropriated $1.21 billion in the second quarter. This was a 19% quarterly drop following a 37% rise in the first quarter. Annual revision of gas utility data put the record for appropriations back from 1980-I to 1979-III ($1.54 billion).

Gas utilities' cancellations in the quarter were $0.33 billion, the highest since early 1979. Their capital spending rose 2% to $1.14 billion, and the unspent backlog fell 11% to $2.06 billion at midyear.

Margaret M. Nichols

CAPITAL APPROPRIATIONS AND EXPENDITURES OF INVESTOR-OWNED GAS AND ELECTRIC UTILITIES

Quarterly Totals in Millions of Dollars

	78-I	78-II	78-III	78-IV	79-I	79-II	79-III	79-IV	80-I	80-II
					—NOT SEASONALLY ADJUSTED—					
TOTAL UTILITIES										
Opening backlog	103,630	113,965	110,078	102,501	103,933	105,690	99,663	97,154	95,200	115,102
Appropriations	21,553	2,899	3,338	9,316	14,130	3,233	5,560	10,066	31,841	11,117
Canceled	5,888	560	4,316	208	5,984	2,122	676	4,253	5,417	3,532
Capital expenditure	5,330	6,226	6,599	7,676	6,389	7,138	7,393	7,767	6,522	7,516
Closing backlog	113,965	110,078	102,501	103,933	105,690	99,663	97,154	95,200	115,102	115,171
ELECTRIC UTILITIES										
Opening backlog	101,866	111,171	107,508	100,895	101,882	102,718	97,263	95,120	93,242	111,059
Appropriations	19,857	2,111	2,900	7,961	11,948	2,684	4,764	8,791	29,016	10,505
Canceled	5,761	346	3,988	325	5,587	2,045	638	4,179	5,478	3,181
Capital expenditure	4,791	5,428	5,525	6,649	5,525	6,094	6,269	6,490	5,721	6,394
Closing backlog	111,171	107,508	100,895	101,882	102,718	97,263	95,120	93,242	111,059	111,989
GAS UTILITIES										
Opening backlog	1,764	2,794	2,570	1,606	2,051	2,972	2,400	2,034	1,958	4,043
Appropriations	1,696	788	438	1,355	2,182	549	796	1,275	2,825	612
Canceled	127	214	328	—117	397	77	38	74	—61	351
Capital expenditure	539	798	1,074	1,027	864	1,044	1,124	1,277	801	1,122
Closing backlog	2,794	2,570	1,606	2,051	2,972	2,400	2,034	1,958	4,043	3,182
					—SEASONALLY ADJUSTED—					
TOTAL UTILITIES										
Opening backlog	103,630	106,040	106,040	101,844	103,933	100,804	99,170	102,391	95,200	100,332
Appropriations	11,885	6,919	8,237	10,065	6,239	6,854	10,980	8,916	15,158	27,003
Canceled	3,482	608	5,974	908	2,171	1,309	525	9,030	2,695	3,566
Capital expenditure	5,993	6,311	6,459	7,068	7,197	7,179	7,234	7,077	7,331	7,579
Closing backlog	106,040	106,040	101,844	103,933	100,804	99,170	102,391	95,200	100,332	116,190
ELECTRIC UTILITIES										
Opening backlog	101,866	104,337	103,972	100,080	101,882	99,317	97,731	100,350	93,242	98,019
Appropriations	11,021	5,492	7,380	8,936	5,131	5,798	9,440	7,818	13,657	25,790
Canceled	3,318	370	5,716	1,016	1,689	1,247	537	8,976	2,660	3,238
Capital expenditure	5,232	5,487	5,556	6,118	6,007	6,137	6,284	5,950	6,220	6,441
Closing backlog	104,337	103,972	100,080	101,882	99,317	97,731	100,350	93,242	98,019	114,130
GAS UTILITIES										
Opening backlog	1,764	1,703	2,068	1,764	2,051	1,487	1,439	2,041	1,958	2,313
Appropriations	864	1,427	857	1,129	1,108	1,056	1,540	1,098	1,501	1,213
Canceled	164	238	258	—108	482	62	—12	54	35	328
Capital expenditure	761	824	903	950	1,190	1,042	950	1,127	1,111	1,138
Closing backlog	1,703	2,068	1,764	2,051	1,487	1,439	2,041	1,958	2,313	2,060

REVISIONS: Gas and total utility data are revised for all quarters of 1979 and 1980-I. Gas and total utility data for 1980-II are preliminary.

Estimates are for all investor-owned gas and electric utilities. The electric utility companies surveyed account for 95% of all investor-owned companies' plant investment and kilowatt-hour sales to ultimate customers in 1977; the gas utilities surveyed account for 58% of 1978 revenues of all investor-owned gas utilities.

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Please Note: In the interest of speeding the data contained in this publication to you, these series are now available on-line through The Conference Board Data Base. For more information, call Linette Stein at (212) 759-0900.